

105TH CONGRESS  
1ST SESSION

# S. 572

To amend the Internal Revenue Code of 1986 to repeal restrictions on taxpayers having medical savings accounts.

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IN THE SENATE OF THE UNITED STATES

APRIL 15, 1997

Mr. ALLARD introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to repeal restrictions on taxpayers having medical savings accounts.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. REPEAL OF RESTRICTIONS ON TAXPAYERS**

4                       **HAVING MEDICAL SAVINGS ACCOUNTS.**

5       (a) REPEAL OF NUMERICAL LIMITATIONS AND TER-  
6       MINATION.—

7               (1) IN GENERAL.—Section 220 of the Internal  
8       Revenue Code of 1986 (relating to medical savings  
9       accounts) is amended by striking subsections (i) and  
10       (j).

1           (2) CONFORMING AMENDMENT.—Section  
 2       220(c)(1) of such Code is amended by striking sub-  
 3       paragraph (D).

4       (b) REPEAL OF RESTRICTIONS ON INDIVIDUALS  
 5 WHO MAY HAVE MEDICAL SAVINGS ACCOUNTS.—

6           (1) IN GENERAL.—Section 220(c)(1)(A) of the  
 7       Internal Revenue Code of 1986 (defining eligible in-  
 8       dividual) is amended by inserting “and” at the end  
 9       of clause (i), by striking “, and” at the end of clause  
 10      (ii) and inserting a period, and by striking clause  
 11      (iii).

12          (2) CONFORMING AMENDMENTS.—

13               (A) Section 220(b) of such Code is amend-  
 14               ed by striking paragraph (4) and by redesignat-  
 15               ing paragraphs (5) and (6) as paragraphs (4)  
 16               and (5), respectively.

17               (B) Section 220(c) of such Code is amend-  
 18               ed—

19                       (i) by striking subparagraph (C) of  
 20                       paragraph (1), and

21                       (ii) by striking paragraph (4) and by  
 22                       redesignating paragraph (5) as paragraph  
 23                       (4).

24          (c) EFFECTIVE DATE.—

1           (1) IN GENERAL.—Except as provided in para-  
2       graph (2), the amendments made by this section  
3       shall apply to months beginning after the date of the  
4       enactment of this Act.

5           (2) COMPENSATION LIMIT REPEAL.—The  
6       amendments made by subsection (b)(2)(A) shall  
7       apply to taxable years beginning after December 31,  
8       1996.

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